

A nonprofit organization which subsidizes a training table for coaches and members of a university's athletic teams furthers the educational program of the university and may be exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code of 1954.

Advice has been requested whether a nonprofit organization created to further the athletic program of a university in the manner described below qualifies for exemption from Federal income tax under section 501(c)(3) of the Internal Revenue Code of 1954.

The organization's principal activity consists of subsidizing a training table for coaches and members of the university athletic teams. Meals are prepared and served by the university's personnel in a dining room separate from the university's regular eating facilities. The organization bears the cost of the meals served to the extent that they exceed the amount allotted for this purpose by the university's department of athletics.

Membership in the organization is open to former students of the university. It has its own officers. The organization's funds for the conduct of its activities are derived from dues and contributions. An advisory committee composed of university officials has been established to insure that the activities of the organization conform to the policies of the school. The university allows the organization rent-free use of space in a university building.

Section 501(c)(3) of the Code provides for the exemption from Federal income tax of organizations organized and operated exclusively for charitable and educational purposes.

Section 1.501(c)(3)-1(d)(2) of the Income Tax Regulations defines the term 'charitable' as including the advancement of education.

The athletic program of a university conducted for the physical development and betterment of the students is considered to be an integral part of its overall educational activities. Since the organization's purposes and activities further the educational program of the university by providing necessary services to the student athletes and coaches, it qualifies for exemption from Federal income tax under section 501(c)(3) of the Code.

An organization which considers itself within the scope of this Revenue Ruling must, in order to establish exemption under section 501(c)(3) of the Code, file an application on Form 1023, Exemption Application, with the District Director of Internal Revenue for the internal revenue district in which is located the principal place of business or principal office of the organization. See section 1.501(a)-1 of the regulations.